



# NEWS

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## FOR IMMEDIATE RELEASE

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### **New Agricultural Field Burning Tax Exemptions Take Effect**

**OLYMPIA, Wash.**, July 1, 2005 — Beginning today, farmers must meet new requirements to obtain sales tax exemptions on the purchase of equipment used to reduce field burning.

The revised law specifies what equipment qualifies for the exemption, which counties are eligible, what constitutes a qualified farmer, and how much of that farmer's tillable acres must be planted with cereal grains or field and turf grasses grown for seed production.

Specified machinery and equipment include no-till and minimum-till drills, sprayers, plows, chisels, discs, cultivators, harrows, mowers, swathers, power rakes, balers, bale handlers, shredders, transplanters, and tractors over 250 horsepower designed to pull equipment on steep slopes and highly erodible lands.

Sales tax exemptions continue to be available for materials, labor, and services for the construction of hay sheds, but no longer apply to materials incorporated into hay sheds after construction, nor repairing, cleaning, altering or improving hay sheds after construction. Sheds used to store equipment no longer qualify for the exemption, nor do repairing, maintaining or improving that equipment. The new law also repeals a business and occupation tax credit and a personal property tax exemption.

To obtain the exemption, farmers must provide sellers with a signed exemption certificate and keep records so the Department of Revenue can verify eligibility.

Although the new law narrows the exemptions from the original 2000 law to reduce confusion, farmers are expected to save an additional \$1.3 million in taxes over the next two years.

A special notice on the changes is available online. To access it, click on "What's New?" at [www.dor.wa.gov](http://www.dor.wa.gov) or call 1-800-647-7706.

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